

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,	§	
Plaintiff,	§	
v.	§	CIVIL ACTION NO. ____
	§	
\$1,555,953.56 U.S. CURRENCY SEIZED	§	
FROM SUNTRUST ACCOUNT 7706	§	
Defendant.	§	

VERIFIED COMPLAINT FOR CIVIL FORFEITURE
IN REM AND NOTICE TO POTENTIAL CLAIMANTS

The United States of America, Plaintiff, files this action for forfeiture *in rem* against \$1,555,953.56 in U.S. Currency seized from a SunTrust Bank account and alleges upon information and belief the following:

JURISDICTION AND VENUE

1. This Court has subject-matter jurisdiction pursuant to 28 U.S.C. §§ 1345 and 1355.
2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1355(b), 1391(b)(2), and 1395.

DEFENDANT PROPERTY SUBJECT TO FORFEITURE

3. The Defendant Property is \$1,555,953.56 in U.S. Currency seized by warrant dated August 6, 2019, from a SunTrust Bank account with an account number ending in 7706, and held in the name of James E. Dellinger (the "Defendant Property"). The United States alleges that the Defendant Property constitutes the proceeds of wire fraud.

STATUTORY BASIS AND NATURE OF ACTION

4. This civil action *in rem* is brought to enforce the provisions of 18 U.S.C. § 981(a)(1)(C), which provides for the forfeiture of any property, real or personal, which constitutes or is derived from proceeds traceable to any offense constituting “specified unlawful activity” (as defined in 18 U.S.C. § 1956(c)(7)), or a conspiracy to commit such offense. Title 18 U.S.C. § 1343 (wire fraud) is “specified unlawful activity” pursuant to 18 U.S.C. § 1956(c)(7). A conspiracy to commit wire fraud is a violation of 18 U.S.C. § 1349.

5. With regard to the civil forfeiture of fungible property, Title 18, United States Code, Section 984 provides that funds deposited in an account in a financial institution that are found in the same account as the property involved in the offense that is the basis for the forfeiture shall be subject to forfeiture so long as the action is commenced within one year from the date of the offense.

FACTS

6. In one variety of a business email compromise fraud, the perpetrator of the fraud spoofs the official business email address of a legitimate vendor company, then uses the spoofed email to convince an employee of the victim company to wire transfer corporate funds to a fraudulent account that the employee believes is a legitimate vendor account for a legitimate business transaction.

7. In this case, the fraud perpetrators duped an employee of the victim company into believing he was corresponding by email with a legitimate vendor company, then

convinced the employee to change the vendor's bank account information to an account controlled by the perpetrators. As a result of the fraud, the victim company sent a total of \$1,703,806.00 to the perpetrators. The victim company is located in Houston, Texas, which is within the Southern District of Texas.

8. Specifically, on July 15, 2019, an accounts payable clerk at the victim company received an email supposedly from the vendor company. The email requested the employee provide payment status and advised of a forthcoming email with new banking information. The employee subsequently received a second email directing the employee to deposit payment via ACH to a new account at SunTrust Bank, account number xxxxx7706 ("Account 7706").

9. As a result of the fraud, the victim company made the following wire transfers to Account 7706 totaling \$1,703,806:

Date	Financial Transaction	Amount Transferred
7/25/2019	Wire transfer from Victim Company to SunTrust Bank Account x7706	\$1,358,906
7/26/2019	Wire transfer from Victim Company to SunTrust Bank Account x7706	\$344,900

10. Funds in the total amount of \$1,555,953.56 were seized from SunTrust Bank Account x7706, held in the name of James E. Dellinger, which is not the name of the vendor company. There is reason to believe the seized funds constitute wire fraud proceeds and are subject to forfeiture pursuant to 18 U.S.C. §981(a)(1)(C).

CONCLUSION

11. Under the totality of the circumstances, it is believed that the Defendant Property is subject to forfeiture under 18 U.S.C. § 981(a)(1)(C) as property which constitutes or is derived from proceeds traceable to specified unlawful activity, including wire fraud, whether directly or through application of Section 984.

NOTICE TO ANY POTENTIAL CLAIMANTS

YOU ARE HEREBY NOTIFIED that if you assert an interest in the Defendant Property subject to forfeiture and want to contest the forfeiture, you must file a verified claim which fulfills the requirements set forth in Rule G of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions. A verified claim must be filed no later than thirty-five (35) days from the date this Complaint has been sent.

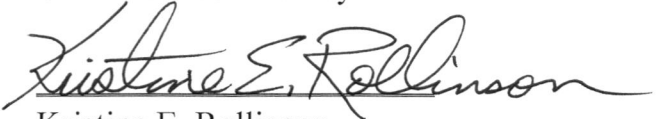
An answer or motion under Rule 12 of the Federal Rules of Civil Procedure must be filed no later than twenty-one (21) days after filing the claim. The claim and answer must be filed with the United States District Clerk for the Southern District of Texas either electronically or at the United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002. A copy must be served upon the undersigned Assistant United States Attorney at the United States Attorney's Office, 1000 Louisiana, Suite 2300, Houston, Texas 77002.

REQUESTED RELIEF

The United States will serve notice, along with a copy of the Complaint, on any person who reasonably appears to be a potential claimant in this matter. The United States seeks a final judgment forfeiting the Defendant Property to the United States and any other relief to which it may be entitled.

Respectfully submitted,

RYAN K. PATRICK
United States Attorney

By: 
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Verification

I, Charles E. Dukes, III, a Special Agent with the United States Secret Service, declare under penalty of perjury, as provided by 28 U.S.C. § 1746, that I have read the foregoing Verified Complaint for Civil Forfeiture In Rem and Notice to Potential Claimants, and that the facts stated in paragraphs 3 and 6 through 11 of the Complaint are based upon my personal knowledge, upon information obtained from other law enforcement personnel, or upon information I obtained in the course of my investigation. Those facts are true and correct to the best of my knowledge and belief.

Executed on the 3 day of October 2019.

A handwritten signature in cursive script that reads "Charles E. Dukes" followed by three horizontal lines representing the Roman numeral "III".

Charles E. Dukes, III
Special Agent
United States Secret Service